

**Amendment No. 8 to SB3351**

**Crowe  
Signature of Sponsor**

**AMEND Senate Bill No. 3351**

**House Bill No. 3364\***

**FILED**

Date \_\_\_\_\_

Time \_\_\_\_\_

Clerk \_\_\_\_\_

Comm. Amdt. \_\_\_\_\_

by adding the following new section immediately prior to the effective date section and by renumbering the subsequent section accordingly:

Section \_\_\_\_ Tennessee Code Annotated, Section 67-4-2008 is amended by adding the following as a new subdivision:

( ) (A) Any family-owned non-corporate entity in existence on June 30, 1999 where substantially all the activity of the entity is the production of passive investment income.

(B) For purposes of this subdivision ( ):

(i) "Family-owned" means that all the ownership units of the entity are owned by members of the family, which means, with respect to an individual, only:

(A) An ancestor of such individual;

(B) the spouse or former spouse of such individual;

(C) a lineal descendent of such individual, of such individual's spouse or former spouse, or of a parent of such individual;

(D) the spouse or former spouse of any lineal descendent described in subitem (C);

(E) the estate or trust of a deceased individual who, while living, was as described in any of the above subitems.

(F) for purposes of this subdivision ( ), a legally adopted child of an individual shall be treated as the child of such individual by blood.

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(ii) "Passive investment income" means gross receipts derived from royalties, rents, dividends, interest, annuities, and sales or exchanges of stock or securities to the extent of any gains therefrom.

AND FURTHER AMEND by deleting the punctuation "." at the end of the effective date section, Section 23 of the printed bill, as amended, and by substituting instead the following:

"; provided however, the unnumbered section added by this amendment shall take effect on becoming a law, the public welfare requiring it, and shall apply to all tax years ending after December 31, 1999.